



Where ideas connect

Department of Environmental Quality
Division of Drinking Water

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Drinking Water Board

Boyd Workman
Chairman

Dale F. Pierson
Vice-Chairman

Myron Bateman

Anne Erickson, Ed.D.

Jay W. Franson, P.E.

Laurie McNeill, Ph.D.

Nancy Melich

Dianne R. Nielson, Ph.D.

Ruth Perry

Charlie Roberts

Chris Webb

MINUTES OF THE APRIL 11, 2003 DRINKING WATER BOARD MEETING HELD IN
OREM, UTAH

Board Members Present

Boyd Workman, Chairman
Myron Bateman
Anne Erickson, Ed.D.
Jay Franson, P.E.
Nancy Melich
Dianne Nielson, Ph.D.
Charlie Roberts
Chris Webb

Board Members Excused

Dale Pierson, Vice Chairman
Laurie McNeill, Ph.D.

Staff

Kevin Brown
Michael Georgeson
Ken Bousfield
Ken Wilde
Rich Peterson
Linda Matulich

Guests

Brian Deeter, J-U-B Engineers
Perry Spackman, Trenton Town
David Davis, Trenton Town
Lynn Wall, Scipio Town
John Hartshorn, Timber Lakes
Robert Glade, Timber Lakes
Jody Defa, Timber Lakes
Paul Wilson, Twin Creeks
Phil Wright, Wasatch County Health Department
Anita Bethers, Billy Bethers Water Company
Dale Berg, TCSSD – Billy Bethers – Interlaken
Stacy Stephenson, Scipio Town
Judy O'loughlin, Interlaken Mutual Water Company
Sherry Bolca, Interlaken Mutual Water Company
Doug Nielsen, Sunrise Engineering
John Schiess, Horrocks Engineers
Brad Graham, Twin Creeks SSD
Don Olsen, Draper Irrigation Company
David Gardner, Draper Irrigation Company

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in Orem, Utah with Chairman Workman presiding.
The meeting was called to order at 1:05 p.m.

ITEM 2 – ROLL CALL

Chairman Workman asked Kevin Brown to call roll of the Board members. The roll call showed there were 7 members present at the time.

ITEM 3 – INTRODUCTIONS

The guests were welcomed to the Board meeting.

ITEM 4 – APPROVAL OF MINUTES

Chairman Workman stated a motion to approve the February 28, 2003 minutes was in order.

Myron Bateman moved the Board approve the February 28, 2003 minutes.

Nancy Melich seconded.

CARRIED

(Unanimous)

ITEM 5 – STATE SRF/REVOLVING LOAN FUND (SRF)/CONSERVATION COMMITTEE

1) SRF/Conservation Report

2) Status Report

Michael Georgeson reported the Board has available \$2,064,000 in the state account. There is \$928,000 in the secondary account and \$577,000 in the hardship grant account for a total of \$3,569,000.

Mike mentioned the Board has available \$8.5 million in the federal account, of which \$649,000 is in the hardship grant assessment and \$1,429,000 in principal forgiveness repayments. The \$8.5 million includes the second round money of a little over \$2 million. Seven loans have been scheduled to close during the next two months: Monte Vista, Panguitch, Mantua, Wendover, Herriman, Kanosh, and Interlaken Estates. The Summit Park \$1,000,000 loan granted in 1988 is down to \$400,000 - \$500,000. Because of Summit Park's annexation into the Mountain Regional District, they are going to make a trade in bonds this week. The bonds will be reissued to Mountain Regional District not Summit Park. In the packet is a notice staff received on the availability of the FY 2003 Capitalization Grant. On the last page is a list of state's and the capitalization grants they received.

Discussion followed.

Charlie Roberts joined the meeting.

3) State SRF Applications

a) Scipio

Mike Georgeson mentioned Rich Peterson would be handling the state SRF program for the Board.

Anne Erickson joined the meeting.

Rich Peterson mentioned Scipio is requesting financial assistance to redevelop their springs and the construction of a new storage tank. The original cost was for \$217,000, which has been lowered to \$114,000. Scipio has increased their contribution from \$22,000 to \$75,000. Scipio originally requested a grant and a loan based on their percentage of the AGI and is recommending a low interest loan.

Lynn Wall, Wall Engineering for Scipio representative, addressed the Board.

Stacy Stephenson, Councilman for Scipio, addressed the Board.

Discussion followed.

Myron Bateman moved the Board authorize a loan of \$114,000 at 2.65% for 20 years.

Chris Webb seconded.

CARRIED

(Unanimous)

b) Trenton

Rich Peterson reported Trenton's project is for the construction of a new drinking water well and reconstruction of the distribution system. Trenton is looking for \$277,000 in funding for the help of their project. The SRF Conservation Committee has recommended \$207,000 in the form of a grant and \$70,000 in the form of a loan at 2.34% for 25 years.

David Davis, Councilman for Trenton, addressed the Board.

Perry Spackman, Trenton representative, addressed the Board.

Discussion followed.

Myron Bateman moved the Board authorize a \$207,000 grant and a \$70,000 loan at 2.09% for 20 years.

Nancy Melich seconded.

CARRIED

(4 to 3)

Charlie Roberts, Chris Webb and Boyd Workman voted no.

Jay Franson abstained.

Dianne Nielson, Nancy Melich, Anne Erickson, and Myron Bateman voted yes.

Discussion followed.

c) R309-700 Proposed Revisions

Michael Georgeson mentioned the revisions to the Rule R309-700 are in the packet. Last year the Legislature provided planning grant authority to the Board. Staff was finally able to draft the proposed revisions to the rule after meeting with the Fred Nelson and William Prater. The revisions to the rule would implement the planning grant authority. The Board will be able to make a decision on the previous planning grants. One of the major changes in the rule is the wording “planning grant” can be used. This would allow the Board to fund small planning projects.

Discussion followed.

Chris Webb moved the Board authorize staff to file the Notice of the Proposed Rule Change for R309-700.

Myron Bateman seconded.

CARRIED

(Unanimous)

4) Federal SRF Applications

a) Herriman

Michael Georgeson reported Herriman received a \$37,000 planning loan on June 8, 2001. Herriman no longer needs the planning loan. Herriman is paying for their planning through a line of credit with Zion’s Bank. The SRF/Conservation Committee is recommending the Board deauthorize the planning loan of \$37,000 authorized to Herriman on June 8, 2001.

Charlie Roberts moved the Board deauthorize Herriman’s planning loan of \$37,000 as authorized on June 8, 2001.

Nancy Melich seconded.

CARRIED

(Unanimous)

b) Draper Irrigation

Ken Wilde reported the \$9.2 million project has had several amendments. Ken mentioned Draper wants to spend their budget surplus of \$1,350,000 on other facilities listed in their letter. Draper is committed to spend \$3,350,000 as a match to the Board's \$7,200,000. Draper would only have to spend \$2,000,000 to complete the current scope of work. It looks like it would be a good idea to reduce Draper's obligation to \$2,000,000. After the water treatment loan is closed, Draper would be able to go ahead and construct the other facilities without the oversight of staff. The SRF Committee is proposing Draper submit a progress report and show how they spend the \$1.35 million.

Dave Gardner and Don Olson, Draper Irrigation Company representatives, addressed the Board.

Chris Webb moved the Board authorize the scope changes with the conditions as recommended of: Reduce Draper Irrigation Company's contribution requirement for the overall project to \$2,000,000 and allow them to utilize the surplus funds to construct the proposed additional facilities themselves. This amended authorization would have the following two requirements: a) The Company must develop other projects having total design and construction costs equal to or greater than \$1,350,000, and b) The Company must report their progress on spending said funds to Division staff until they have spent at least \$1,350,000 on approved facilities.

Charlie Roberts seconded.

CARRIED

(Unanimous)

c) Daniels Domestic

Ken Wilde reported Daniels Domestic has not responded to any correspondence or phone calls since the project was authorized. The SRF Conservation Committee is recommending the Board deauthorize the \$406,000 loan.

Myron Bateman moved the Board deauthorize the \$406,000 loan to the Daniel Domestic Water Company.

Chris Webb seconded.

CARRIED

(Unanimous)

d) Twin Creek Special Service District

Ken Wilde reported that Twin Creek Special Service District and Billy Bethers are tied together by the SRF Conservation Committee's recommendation and their projects. In lieu of Daniel Domestic unwilling to take over and help the Billy Bethers water system, Wasatch County and the Twin Creek Special Service District have had some discussions on having the Twin Creek Special Service District maintain and operate the Billy Bethers water system. The Twin Creek Special Service District is a significant distance from Billy Bethers, and therefore, it appears to be too expensive to physically connect to the Billy Bethers water system. Twin Creek will operate and manage the Billy Bethers water system.

Brad Graham, Twin Creek Special Service District representative, addressed the Board.

Discussion followed.

Chris Webb moved the Board authorize a \$450,000 loan with a 20% Principal Forgiveness (\$90,000) at 0% for 30 years to the Twin Creek Special Service District, with the condition that they acquire ownership of Billy Bethers.

Myron Bateman seconded.

CARRIED

(Unanimous)

d) Billy Bethers

Ken Wilde reported on Billy Bethers with the Twin Creek Special Service District (item # c) above.

Discussion followed.

Myron Bateman moved the Board authorize a \$500,000 loan with 70% Principal Forgiveness (\$350,000) with the same terms as authorized in the original loan. The principal balance of the loan would be for \$150,000 at 0% interest for 30 years. Also, the loan is contingent upon Twin Creek Special Service District acquiring ownership of the Billy Bethers water system.

Charlie Roberts seconded.

CARRIED

Boyd Workman opposed.

Seven voted yes.

Discussion followed.

e) Timberlakes

Ken Wilde reported when Timberlakes put in their drinking water system the system was not put in for year round service. A lot of the drinking water lines are shallow and break. Timberlakes has a \$6,000,000 project. Timberlakes is looking for a \$1,000,000 loan from the Board to help them get some of the work completed. Timberlakes would like to replace the lines they are having the most trouble with. Timberlakes will be able to generate the remaining \$5,000,000 to finish their project.

John Hartshorn, Robert Glade, Jody Defa, Paul Wilson, Timberlakes representatives, and John Schiess, Horrocks Engineers, were present for any questions from the Board.

John Hartshorn and Jody Defa addressed the Board.

Discussion followed.

Myron Bateman moved the Board authorize a loan for \$1,000,000 for 20 years at 1.76%. The loan authorization is contingent on Timberlakes Water Special Service District making their \$250,000 contribution to the project at loan closing.

Nancy Melich seconded.

CARRIED

(Unanimous)

f) Interlaken Mutual Water Company

Ken Wilde reported Interlaken Mutual Water Company has a new engineer for their project. Their previous engineer has had some serious health problems and was unable to help them finish their project. Interlaken Mutual Water Company is requesting an increase in their \$956,000 loan and adds an additional \$292,000 to the loan. This is due partly to other costs that have come up to complete the project. The new total of the loan would be \$1,248,000.

Sherry Bolca and Judy O'loughlin, Interlaken Mutual Water Company representatives addressed the Board.

Discussion followed.

Jay Franson moved the Board authorize a loan increase of \$292,000 for a revised loan amount of \$1,248,000 with the same terms as previously approved (20-years at 1.80%).

Charlie Roberts seconded.

CARRIED

(Unanimous)

ITEM 6 – CHAIRMAN’S REPORT

Chairman Workman announced that Petra Rust, from Pepperidge Farms, and Ron Thompson, from Washington County Water Conservancy District, have been nominated and submitted by the Governor to the Senate for approval to replace him and Ruth Perry.

Chairman Workman will be on the Rural Water Association of Utah’s Board.

Chairman Workman mentioned he has enjoyed the 8 years he has been on the Board. He has appreciated his association with the Drinking Water Board.

ITEM 7 – ADMINISTRATIVE PENALTY REPORT

Ken Bousfield reported that as a result of the public hearing held on the proposed changes to the Administrative Penalty Rule, staff incorporated suggested changes. Ken summarized the issues raised during the comment period, and pointed out in the Boards packet, the changes made to the Penalty Rule.

Discussion followed.

Jay Franson moved the Board authorize staff to proceed with a second rulemaking effort to incorporate the changes received from comments during the public hearing.

Myron Bateman seconded.

CARRIED

(Unanimous)

ITEM 8 – DIRECTORS REPORT

a) Presentation to Chairman Workman

Kevin Brown presented a gavel and Clock Plaque to Boyd Workman from staff and the Board for thanks and appreciation for the outstanding work he did while serving on the Drinking Water Board.

b) Legislative Wrap Up

Kevin Brown reported there wasn’t very much legislation that impacted the Division or the Board.

One of the fluoride rules passed.

Most of the issues staff dealt with were funding issues. One of the issues was a reduction in the travel budget. The out-of-state travel was cut by almost 50%. There was a slight reduction on in-state travel. The number of Board meetings held during the year was discussed. Kevin mentioned the possibility of cutting down the number of staff and Board members that attend the Rural Water Association’s Annual Conference.

The sales tax funding for the loan program remains intact.

The Department took a \$1.25 million reduction in their budget over the past year. Part of the funding reductions will come from the local health department contracts on their performance of sanitary surveys to drinking water systems. Kevin is putting together a plan on how staff will make up the difference of the sanitary surveys not performed by the local health departments.

Discussion followed.

c) Division Planning Retreat

Kevin Brown mentioned the annual Division Planning Retreat will be on April 28 – 29, 2003. April 28, 2003 will be from 1:00 p.m. to 5:00 p.m. April 29, 2003 will be from 8:00 a.m. to 5:00 p.m. The retreat will be at 168 North 1950 West, room 201, Salt Lake City, Utah.

d) Travel Budget

Kevin Brown talked about the travel budget under the Legislative Wrap Up section.

e) Elections for Next Board Meeting

Kevin Brown mentioned the elections for Chairperson and Vice Chairperson would be held at the next Board meeting on June 13, 2003 in Moab. Kevin said he would send out an e-mail to the Board members to send in nominations to him for both positions. Kevin will present the nominations at the June Board meeting to be voted on at that time.

f) EPA's Program Mid-Year Review Update

Kevin Brown mentioned he had hoped to have EPA's draft of the Mid-Year Review Update early in March to hand out, but haven't received a copy of the report yet. Staff is in good shape. As soon as a draft or final report is received, Kevin will get a copy to the Board members.

g) EPA's Guarding Against Terrorist and Security Threats

Kevin Brown mentioned a copy of this report is in the packet. The EPA's Guarding Against Terrorist and Security Threats article is also on the website. This article shows what water systems are supposed to be doing in case of a potential threat.

ITEM 9 – NEWS ARTICLES

The news articles are in the packet.

ITEM 10 – LETTERS

The letters are in the packet.

ITEM 11 – UPDATE

The update is in the packet.

ITEM 12 – NEXT BOARD MEETING

The next Board meeting will be held on June 13, 2003 in Moab, Utah.

ITEM 13 – OTHER

No other business.

ITEM 14 – ADJOURN

Chairman Workman stated a motion to adjourn the Board meeting would be in order.

Myron Bateman moved to adjourn the Board meeting at 3:00 p.m.

Chris Webb seconded.

CARRIED

(Unanimous)

Linda Matulich
Recording Secretary